GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:940
ANSWERED ON:04.12.2015
Amendment in CBEC Prosecution System
Meghwal Shri Arjun Ram

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has noted that the Central Board of Excise and Customs (CBEC) has reviewed the monetary limits for assets and its guidelines for prosecution in matters relating to offences punishable under CBEC;
(b) if so, the details thereof and the objective behind the said move; and
(c) the impact of said revision in excise offences including smuggling?

Answer

THE MINISTER OF STATE FOR FINANCE
(JAYANT SINHA)
(a) Yes, Sir. Revised Guidelines for arrest and bail and for launching prosecution, in relation to offences punishable under the Customs Act, 1962, the Central Excise Act, 1944 and the Finance Act, 1994 (Service Tax cases) have been issued vide Circular no. 27/2015 -Cus, and 28/2015-Cus, both dated 23.10.2015, for Custom's related cases, and Circular no. 1009/16/2015-CX and 1010/17/2015-CX, both dated 23.10.2015 for Central Excise and Service Tax related cases.
(b) The limits in offences relating to evasion of tax or wrongful utilization of input tax credit in case of Central Excise and Service Tax have been revised to Rs.1 crore from Rs. 25 lakh and Rs. 10 lakh, respectively. For evasion of tax under the Customs Act, 1962:-(i) In cases related to importation of trade goods (i.e. appraising cases) involving willful mis-declaration in description of goods/concealment of goods, the value of goods is revised to Rs. 1 crore from Rs. 50 lakh.
(ii) In cases of fraudulent availment of drawback or attempt to avail of drawback or any exemption from duty, such amount or drawback or exemption is raised to Rs. 1 Crore from Rs. 50 Lakh.
(iii) In cases involving un-authorized importation in baggage/cases under Transfer of residence rules and outright smuggling of high value goods, such as, precious metal, restricted item or prohibited items or offence involving foreign currency, the value of such offending goods has been retained as Rs. 20 lakh. However, there shall be no lower limit for arrest and prosecution in cases of smuggling of Fake Indian Currency Notes, arms, ammunition and explosives, antiques, art treasures, wild life items and endangered species. The objective is to utilize the available manpower, time and resources efficiently and to focus on larger cases of evasion and smuggling.
(c) It is too early to assess any impact of the said revision in excise offences and smuggling.